

**Licence Renewals for Private Conventional
Television Stations
Phase II**

CTVglobemedia

[Check Against Delivery]

April 30, 2009

Good morning Mr. Chair, Vice Chairs, members of the Commission, Commission staff. My name is Ivan Fecan, and I am President and CEO of CTVglobemedia and CEO of CTV Inc.

To my left, your right is Paul Sparkes, Executive Vice President, Corporate Affairs for CTVglobemedia, to his left is David Goldstein, Senior Vice President, Regulatory Affairs, CTVglobemedia. To my right is John Gossling, Chief Financial Officer, CTVglobemedia, to his right is Dawn Fell, Executive Vice President, Human Resources and Operations, CTVglobemedia and to Dawn's right is Rick Brace, President, Revenue, Business Planning and Sports for CTV Inc.

Joining us on the back panel, starting on your far left, is Allan Morris, Senior Vice President, Engineering, Operations and IT, to his left is Clare Brown, Senior Vice President, Finance, CTV Inc., next to her is Nikki Moffat, Senior Vice President, Finance, CTVglobemedia, next to Nikki is Richard Gray, Vice President and General Manager, A Ottawa and Ottawa Radio, Richard is also National Head of A News. Next to Richard is Kevin Goldstein, Vice President, Regulatory Affairs, CTVglobemedia, and on the far right is Stephen Armstrong of Armstrong Consulting Inc.

We would now like to begin our formal presentation.

Licence renewal, in past years, was a time for a licensee to look back at what was accomplished, take pride in the successes, atone for the (hopefully) minor shortcomings if there were any and elaborate on the plans and dreams that could be accomplished over the next 7 year term. At the end of the process, if all is right in the world, the regulator feels they have done well for Canadian viewers while obtaining commitments in exchange for the valuable renewal opportunity. In turn, the licensee looks forward to growing the business through providing a valued service to the community and, of course, a profit.

How times have changed.

Over the past 7 year term, the conventional TV model which worked so remarkably well for years, began to decline, first with a few cracks in the foundation, then noticeably dropping and now is irretrievably broken.

True, this recession has accelerated the process but it is just plain wrong to believe it's the cause.

And so, at today's hearing, instead of a bright future, instead of opening more stations, we are closing them. Instead of more program commitments, we are offering the status quo as the new incremental. Instead of being worried about not receiving a full seven year term, we are worried about whether we can afford to re-apply in one year.

No one here signed up for this but this is where we find ourselves today. Please understand this is not a cash grab or greed from a private broadcaster. This is real. We are not bluffing.

The culture of our Company demands that if something is never going to work, we move on, with the knowledge that we did our best. We moved on with TQS. We are moving on with Brandon, Windsor and Wingham. And if there is no structural fix for conventional television soon, we will be forced to move on again --- first with the A's and then ultimately with the CTV conventional stations.

It's a pretty grim scenario not only for me, who has devoted my life to this business as a dreamer and builder but for everyone involved in the making of television.

It is not good for viewers either, who have made it very clear that local television matters to them. They are depending on you to put their interests above the interests of any corporate or lobby group, be it broadcaster, BDU, or union. If the BDUs insist on holding subscribers hostage, perhaps it is time to regulate cable rates again. In the United States, when BDUs kept raising rates and resisted paying for local stations, the government stepped in and protected viewers by re-regulating the basic rate and ensuring that local stations could get a fee for the important service they provide. So I might ask why everyone here is in Canada so afraid of cable.

As for CTV, our track record for viewers is something in which we take great pride. In fact, during this past 7 year term, we became the overwhelming #1 choice of Canadian viewers. In virtually every community we have the privilege of serving; our local news is #1. Our national news is #1. Our personalities are part of our viewer's lives. In the past seven years, we have developed and commissioned dozens of outstanding Canadian movies such as Mayerthorpe, The Terry Fox Story, Elijah, Crazy Canucks and The Terry Evanshyn Story.

We have the good fortune to work with Brent Butt and put Corner Gas on the air, smashing the belief that Canada could never produce a hit sitcom.

And we didn't stop there; a few years ago we completely revamped our development process for series drama. We started commissioning and paying full price for pilots and struck gold, not once, not twice, but three times in two years. We picked up three series from this process and all three were sold to the major networks in the US and then around the world. Flashpoint to CBS. The Listener to NBC. And The Bridge to CBS. Our national talent shows, Canadian Idol and So You Think You Can Dance Canada have been enormously popular. We united the youth of the country with Live8, "Me to We", Deglassi and Live Earth. We celebrate our artists and help build the Canadian star system with the Junos, the Gillers and eTalk.

We are not just leaders in Canada; we are considered one of the best in the world at what we do by our international colleagues. And yet, here we are. At a one year renewal.

We have applied in good faith based on your stated process and have committed our full support to a process that we sincerely hope will – on an urgent and expedited basis – revisit the viability framework for conventional television.

We are ready to get started with the policy process immediately after the conclusion of this hearing. This should include hard timelines, with a view to having a licensing framework in place in the fall of 2009, so that we can file applications in late 2009 for consideration at a hearing at the end of March 2010.

This may seem like an aggressive timeline, but if decisions are going to be made to save this business, we need an expedited path and investors will require clarity.

There are those who think it's just too late, or that the price of saving conventional is too high. Some suggest that our national goals can simply be met by specialty, and that local reflection can be achieved through the community channel.

We disagree. This Commission has made diversity of voices a central tenet of its mission. As we outlined, conventional is so much more than the sum of its parts and its future is critical to meeting the Commission's expectation pertaining to the availability of a wide range of voices. Otherwise, it is easy to envision a system where two or three BDUs are able to own and control the system from stem to stern.

The simple fact is that cable community channels aren't a suitable replacement for conventional local television stations as the cornerstone of the Canadian broadcasting system.

Here's the reason. They don't do real local news – breaking news, investigative reporting, or enterprise journalism – because it's too expensive to produce. And Canadians have voted. In Barrie for example, when over 32,000 people are tuning in to the 'A' News at suppertime, only 95 are watching 'First Local' on Rogers. Community by community, the pattern is the same.

Handing over the function of local reflection to the cable monopoly could very well be the most damaging blow to diversity of voices and democracy this country has ever seen.

Our conventional television sustainability framework includes fee for carriage, mandatory carriage by DTH of all local stations in their home market and the ability to own content. LPIF, if it starts flowing in September and if the quantum is meaningful, could be a part of the small market solution.

As we indicated on Monday, we strongly believe in conventional television's importance to the social fabric of this country and from where we stand, it is worth fighting for. But that decision is in your hands.